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President Macky Sall (2012 – present) is focused on his 2017 re-election campaign, securing loyalty among his loose coalition and weakening potential opponents. National carrier Senegal Airlines' debt crisis worsens. The government fails to attract a partner or new investment, but wants to keep the airline to support its strategy of creating a regional aviation and tourist hub around the Aéroport International Blaise Diagne (AIBD) under construction. The government claims that construction recommences at the AIBD and it will open in July 2015, although further delays are probable. Senegal improves eight places to 69th out of 175 countries on Transparency International's Corruption Perceptions Index (CPI) 2014. It claims the position of highest ranked Francophone African country on the CPI.

President Sall positions for 2017 re-election

President **Macky Sall** (2012 – present) is focused on his 2017 re-election. The next presidential election is currently scheduled for 2019, however, Sall has publicly committed to holding a referendum to reduce the presidential term limits from seven to five years in 2016, which will pave the way for elections in 2017.¹

Sall has turned his attention to securing loyalty among his presidential coalition **Benno Bokk Yakaar (BBY)** and solidifying the loose grouping around his political programme.² He formed the BBY coalition to win the second round 2012 presidential election against former president **Abdoulaye Wade** (2000 – 2012). Sall's re-election relies on BBY support because his **Alliance pour la République (APR)**, formed in 2008, lacks a nationwide support base.

Sall has continuing support from BBY's core, **Assemblée Nationale** head **Moustapha Niasse** and **Ousmane Tanor Dieng**. They are longstanding political actors who respectively lead the **Alliance des Forces du Progrès** and **Parti Socialiste (PS)**, and both have put aside their presidential ambitions since joining BBY.³

Sall's 2017 re-election campaign will also rely on the support of other perceived good performers in government. They include health minister **Awa Marie Coll Seck**, an epidemics expert who led the government's successful containment of Ebola in the second half of 2014⁴ and prime minister **Mohamed Dione** – Sall's longstanding ally. Dione is credited with running a less fractured government since he replaced **Aminata 'Mimi' Touré** in July.⁵

At the same time, Sall has moved to weaken his potential opponents in 2017. Sall has used a new decentralisation law passed in the lead up to the June local elections to limit funding to **Dakar** mayor **Khalifa Sall** (no relation). Khalifa Sall – who defeated Touré on an APR ticket in the June local elections – has refused to join Sall's coalition and reportedly has presidential ambitions.⁶ He has made regular visits to **Touba**, the country's religious base, to gain influence among the country's powerful Muslim marabouts.⁷ However, since his re-election as mayor, Khalifa has complained of reduced

¹ See ARC Senegal October 2014 Briefing

² Source, francophone journalist, Senegal

³ Source, francophone journalist, Senegal

⁴ See ARC Senegal September 2014 Briefing

⁵ Source, several

⁶ See ARC Senegal July 2014 Briefing

⁷ Leral, 2 Dec 2014.

funding for his office.⁸ President Sall has also sought to undermine another potential opponent, **Idrissa Seck**, by recruiting members of Seck's **Rewmi** party into his APR and BBY.⁹

Sall's controversial illicit enrichment investigation has weakened and further fractured former president Wade's **Parti Démocratique Sénégalais (PDS)**. The PDS is focused on the drawn-out trial of Wade's son **Karim Wade** at the **Cour de repression de l'enrichissement illicite (CREI)**. The trial faces criticism from various sources, including human rights campaigners, due to its alleged political motives and the CREI's reversal of the presumption of innocence. The trial continues to face delays – it is currently adjourned until 22 December. However, suggestions that Karim Wade plans to run as a candidate in 2017 have created friction within the PDS.¹⁰

Debt crisis threatens Senegal Airlines

National carrier **Senegal Airlines'** debt crisis has worsened, with the government unable to attract a partner or new capital. On 8 December prime minister Dione claimed that the airline has debts of CFA 50 billion (\$94m).¹¹ In June, a government official claimed that the carrier needs an injection of CFA 138 billion (\$276m).¹²

Government officials continue to insist bankruptcy is not an option. The government wants to maintain the airline to support its strategy of creating a regional aviation and tourist hub around the planned opening of the new **Aéroport International Blaise Diagne (AIBD)** at **Diass** outside Dakar in 2015 (see below).¹³

*"The airline is completely unviable and has been for sometime...that is why no-one will invest in it, but Sall is very keen to have a national carrier when the new airport opens. It's a drain on government finances and the funds could be used to move the new airport forward."*¹⁴

The government has established a committee under the finance ministry to resolve the debt crisis.¹⁵ Dione claims the government has proposed to support the debt with a service concession fee involving the new AIBD, but it has provided no further details.¹⁶ **Abdoulaye Diouf Sarr**, appointed aviation minister in July, has urged the government to recapitalise the company and said the government intended to increase its stake in the airline to 100%.¹⁷

Senegal Airlines was founded in 2009 under the former Wade administration. The government was a minority shareholder with 36%, and private investors held the remaining 64%. The airline's financial situation has deteriorated under Sall's administration and in October 2013 the government restructured the airline's capital to take a 51% ownership.¹⁸

The government's business recovery plan put in place after the capital restructure failed to attract partners and new investment. The government offered **South African Airways (SAA)** a stake in the airline in February, however SAA rejected the offer and negotiations between the two airlines have ceased.¹⁹ Local press and industry journals have also confirmed unsuccessful negotiations with **Royal Air Maroc**²⁰ and **Afriqiyah Airways**.²¹ Senegal Airlines CEO **Mayoro Racine** claims the airline had

⁸ Leral 18 Nov 2014.

⁹ Sexibaar, 5 Sep 2014.

¹⁰ Dakar Actu, 3 Dec 2014.

¹¹ Dakar Actu, 8 Dec 2014.

¹² Press Afrik, 10 Jun 2014.

¹³ Dakar Actu, 8 Dec 2014.

¹⁴ Source, francophone journalist, Senegal

¹⁵ Dakar Actu, 5 Dec 2014.

¹⁶ Dakar Actu, 8 Dec 2014.

¹⁷ Dakar Actu, 5 Dec 2014.

¹⁸ Le Journal de L'Aviation, 31 Oct 2014.

¹⁹ air-journal.fr, 28 Oct 2014.

²⁰ air-journal.fr, 28 Oct 2014.

²¹ CH-Aviation, 7 Jul 2014.

300,000 passengers in 2013 and that “it would only take one creditor to settle the problem”.²² However, local banks have also steered clear of the re-financing options.²³

Senegal Airlines continues to lease planes and outsource services and routes to stay in operation. In late October the airline started services with a **Bombardier Q400** plane, leased from **United Arab Emirates’ Falcon Aviation Services**.²⁴ Earlier in October, a three-month operations contract with **South Africa’s Global Airways** came to an end.²⁵ In addition, on 31 May **United States (US)**-based **Gecas** recovered three **Airbus** planes from the airline.²⁶ Aviation minister Diouf Sarr claimed on 5 December that staff are “regularly paid”.²⁷ However, in October employees held a “sit-in”, reducing operations to a minimum service, claiming three-months in unpaid wages, and criticised management of the company. They directly challenged Sall to take “bold and immediate action to save the company”.²⁸ The airline has 250 employees.

Despite the debt crisis at Senegal Airlines the government claims that construction work at the new airport AIBD at Diass outside Dakar recommenced in October. The local press claims that “various donors” helped to renew disbursement to **Saudi Arabia-based BinLaden Group**, which leads construction of the airport.²⁹ BinLaden Group had previously halted construction and threatened arbitration due to its claims that the government had outstanding debts of CFA 80 billion (\$154m) with the company.³⁰ In September the government claimed that the new airport was 75% complete and it has repeatedly said it would open in July 2015.³¹ A journalist source expects further delays, particularly with airport certification, and said it would not open until mid-2016. However, a prominent local press publication claims that the airport will not open until 2017 at the earliest.³²

Senegal improves marginally on Corruption Perceptions Index (CPI)

Senegal improved eight places to 69th, from 77th, out of 175 countries on **Transparency International’s Corruption Perceptions Index (CPI) 2014**, released on 3 December. The leading international corruption study measures “perceived levels of public sector corruption” and ranks countries based on a “corruption perception” scale ranging from 0 (highly corrupt) to 100 (very clean). Senegal’s CPI 2014 score was 43, marginally improving from 41 in 2013 and 36 in 2012. Senegal was the highest ranked Francophone African country on the CPI 2014, and the 10th highest in Africa. It equaled **Swaziland** and **Italy**, scored below **South Africa** (67th) and **Ghana** (61st), but above neighbours **Cote d’Ivoire** (115th) and **Guinea** (145th).

Despite the improvement in the CPI under Sall, Transparency International’s Senegal partner **Forum Civil** said the country remains in the “red zone” (below 50). It called for more anti-corruption efforts around the procurement and contract award processes, as well as a new law to prevent conflicts of interests and another to improve transparency regarding political party financing.³³ Forum Civil said that tracking assets under the illicit enrichment programme, a new law of the declaration of assets and establishment of an anti-corruption agency acted as deterrents to corruption.³⁴ However, Forum Civil kept a cautious tone concerning the illicit enrichment process and has questioned the independence of the **Office National de Lutte Contre la Fraude et la Corruption (OFNAC)**.³⁵ It has also questioned the Sall government on several occasions. It criticised the award without tender for a

²² air-journal.fr, 28 Oct 2014.

²³ Les Afriques

²⁴ African Review, 28 Oct 2014.

²⁵ Les Afriques, 8 Oct 2014.

²⁶ L’Observateur, 6 Jun 2014.

²⁷ Dakar Actu, 5 Dec 2014.

²⁸ Dakar Actu, 5 Dec 2014.

²⁹ Dakar Actu, 8 Dec 2014.

³⁰ See ARC Senegal October 2014 Briefing.

³¹ Sud Quotidien, 15 Sep 2014.

³² Le Quotidien, 13 Oct 2014.

³³ RFI, 4 Dec 2014.

³⁴ RFI, 4 Dec 2014.

³⁵ RFI, 13 Dec 2013.

project to construct the **Centre International de Conférence de Diamniadio (CICD)** for the **Organisation Internationale de la Francophonie (OIF)** summit held on 29-30 November 2014.³⁶

Implications

Despite Sall securing support from the BBY, he faces a difficult challenge to win support in the electorate for re-election in 2017 due to substantial discontent over the stagnant economy and poor service (electricity and water) delivery. Several projects of Sall's **Plan Senegal Emergent** economic programme have faced delays or have failed to launch due to lack of significant foreign investor interest and concerns around poor government finances. The AIBD is a case in point.

Sall has successfully weakened his opponents. Karim Wade has not personally stated his intention to run in 2017, and even if he did he would be an outsider due to low popularity and continuing resentment against his father's rule.

However, the focus on opponents has come at a cost to his economic programme. Sall's attention on the illicit enrichment programme has slowed and disrupted government action on the economy. The illicit enrichment programme has also undermined the investor climate due to it being viewed as politicised and failing to follow due process.

Khalifa Sall remains a potential opponent in 2017. However, he will need to improve his support outside Dakar, while he will also face objections to his candidacy for the presidency from within his party, the PS, which is a key member of Sall's coalition.

The outlook for Senegal Airlines remains negative. The airline faces increasing competition from emerging regional airlines, including **Air Cote d'Ivoire**, which has a continuing expansion strategy in the sub-region. In addition the Ebola crisis has significantly reduced passenger numbers and revenue across the aviation sector in the region.

Senegal's CPI 2014 ranking confirms the country's status as one of the least corrupt in the sub-region. However, the CPI score remains low and repeated scandals continue to undermine the business environment. Significantly, human rights campaigners, lawyers and businesspeople have strongly criticised the motives and process of the Sall administration's anti-corruption programme.

³⁶ RFI, 5 May 2013